

TELECOMMUNICATIONS VALUE ADDED SERVICES REGULATORY

BILL, 2017

ARRANGEMENT OF CLAUSES

Clause:

1. Cost of Compliance
2. Digital Products and Revenue Share
3. Functions of Value Added Service Providers
4. Rights of Subscribers
5. Offences and Penalty
6. Interpretation
7. Citation

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A BILL**FOR****AN ACT TO REGULATE VALUE ADDED SERVICES IN THE
TELECOMMUNICATIONS INDUSTRY AND FOR RELATED MATTERS, 2017***Sponsored by Hon. Ujam Chikwuemeka***ENACTED by the National Assembly of the Federal Republic of****Nigeria:**

1. It shall be the responsibility of the Mobile Network Operators to bear the costs incurred by Value Added Service Providers for the purpose of complying with directives of relevant government agencies.

2.-(a) Value Added Service Providers shall have the right to develop and launch new Value Added Services, including but not limited to the right to a conducive environment for investing in and developing world-class Value Added Services;

(b) The right so provided in Paragraph (a) above shall be without interference or undue influence by Mobile Network Operators or any other stakeholder in the industry to reduce their revenue share.

3. To give effect to the provisions of this Act, the following shall be the functions of Value Added Service Providers:

(a) Value Added Service Providers shall obtain third party authorization for their content where required;

(b) Valued Added Service Providers shall be responsible for:

(i) Providing hardware and software platforms for hosting Valued Added Services and providing transmission links to Mobile Network Operators;

(ii) Acquiring software platforms for receiving and processing requests for service via SMS messages and other methods, traffic metering,

Rights of
Subscribers

1 message logs, transaction accounting, traffic and security management;

2 (iii) Managing the assignment of short codes to content being hosted
3 on behalf of developers, among other responsibilities.

4 4. Value Added Service Providers and Mobile Network Operators
5 shall be obligated to observe the rights of subscribers as follows:

6 (a) Value Added Service Providers and Mobile Network Operators
7 shall strictly adhere to Quality of Service Regulations and sundry other Codes,
8 Determinations, Directives, Guidelines, Regulations, and Rules that shall be
9 issued by the relevant agency of government from time to time;

10 (b) Value Added Service Providers and Mobile Network Operators
11 shall provide and maintain adequate customer support on all campaigns,
12 products, promotions, and services at all times;

13 (c) Value Added Service Providers and Mobile Network Operators
14 shall deal with subscriber complaints within a reasonable time frame. Where a
15 complaint is not being resolved, the reasons why must be conveyed to the
16 complainant within a reasonable time;

17 (d) Value Added Service Providers and Mobile Network Operators
18 shall ensure that no Value Added Service is promoted as being free of charge if
19 it involves any hidden charges to the subscribers;

20 (e) Value Added Service Providers and Mobile Network Operators
21 shall not send or have any other individual or company send on their behalf,
22 unsolicited, random or untargeted telecommunications messages if the
23 subscriber has expressly indicated that they do not want to receive such
24 messages.

25 (f) Value Added Service Providers and Mobile Network Operators
26 shall ensure that subscribers are able to "opt-in" or "opt-out" of any campaign,
27 product, promotion, or service regardless of whether the campaign, product,
28 promotion, or service is subscription-based or not;

29 (g) Value Added Service Providers and Mobile Network Operators

1 shall not charge subscribers for SMSs' that contain help, error, or general
2 information;

3 (h) Value Added Service Providers and Mobile Network Operators
4 shall not charge subscribers for SMSs' that request for the subscription or
5 un-subscription of any campaign, product, promotion, or service.

6 Penalties for breach of the above by any offender shall include but is not
7 limited to, payment of fine and withdrawal of operational licenses as may be
8 determined by the regulatory agency.

9 5. "Subscribers" in this Act shall mean the customers of a
10 particular Value Added Service Provider or Mobile Network Operator. Offences and Penalties

11 6. "Value Added Service" shall cover the various services Interpretation
12 provided by the telecommunications industry beyond voice calls, data
13 sessions, and peer-to-peer SMS. This shall include but not be limited to
14 voice mail, ring back tone, SMS voting, SMS lotteries, ringtones, graphics,
15 games, mobile Internet sites, call directory, call centre services, all services
16 that require the use of short codes, prepaid calling cards, special numbering
17 services

18 7. This Bill may be cited as Telecommunications Value Added Citation
19 Services Regulatory Bill, 2017.

EXPLANATORY MEMORANDUM

This Bill seeks to provide for the regulation of the telecommunications industry in view of the need to encourage local content through Value Added Service (VAS) towards stimulating growth in the industry.

The current state-of-affairs is inimical to the development of the sector as it poses great challenges. Some of these challenges are the destruction of local VAS/FinTech/Mobile Financial Services industry, discrimination against subscribers and the perpetuation of fraud against the public through short codes assigned for Value Added Services, amongst others.

As the regulatory agency, the Nigerian Communications' Commission (NCC) shall ensure that the current sharing formula between the Mobile

Network Operators (MNOs) and the VAS service partners is reviewed upward in line with industry best practice.

The NCC shall also ensure that the strict adherence to contractual terms between and among parties is maintained as well as strict adherence to anti-competition and anti-trust rules and regulations.

The crux of the Bill is to ensure the protection of the Nigerian VAS ecosystem from foreign invasion and exploitation.